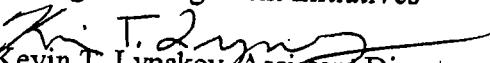




## MEMORANDUM

Bill Johnson, Assistant County Manager  
Transportation Manager

**TO:** Corinne Brody, Special Assistant  
Strategic Management Initiatives

**FROM:**   
Kevin T. Lynskey, Assistant Director  
Office of Performance Improvement

**DATE:** August 15, 2003

**SUBJECT:** Transit Summer Study

In a July 17, 2003 memorandum to the directors of the Office of Public Transportation Management (OPTM) and Miami-Dade Transit (MDT), the County Manager outlined a series of concerns relating to the implementation of the People's Transportation Plan (PTP). Several of his issues revolved around the suitability of the existing *business model* and *business plans* to fulfill the mandates of the PTP, while others were chiefly of a financial nature. Specifically, the Manager expressed concern about the accuracy of the PTP *pro forma*, the manner in which associated operating and capital expenditures are being balanced, and the ability of OPTM and MDT to remain within approved funding levels for the current fiscal year. In response to the Manager's directive, you requested that the Office of Performance Improvement (OPI) produce a comprehensive report addressing these issues, and that the Office of Management and Budget (OMB) work with the OPTM and MDT to resolve certain budgetary questions.

In response, OPI has developed this memorandum and its attachments as a menu-driven tool to assist the Manager in selecting an appropriate PTP *business model*, *program management model*, and *pro forma* service expansion plan. Our report includes analysis of various options, as well as the findings from a national survey of eleven public transportation expansion programs. We have also included *business plans* that reflect current OPTM, MDT and the Department of Public Works (DPW) operations. Based on the Manager's direction, we will refine this product for presentation to the Board prior its September budget hearings.

Our report is the product of the combined efforts of the departments mentioned above. We received additional assistance from the Center for Urban Transportation Research at the University of South Florida and Public Financial Management, the financial consulting firm tasked with updating the *pro forma*.

### REPORT OVERVIEW AND SUMMARY FINDINGS

Our report has four attachments:

- *Business Models*
- *PTP Pro Forma and Service Plans*
- *Program Management Models*
- *Business Plans*

Each attachment presents a series of options along with their associated strengths and weaknesses, with the exception of the *Business Plans* section which merely reflects existing departmental plans. We have summarized the key findings of our report, including our survey results, in the narrative below.

### Business Models

Three basic business model options were identified for transit programs undergoing major expansions. *Option I* is reflective of the current organizational structure found with Miami-Dade County, which includes a major transit operating department and a separate, stand-alone program development function. *Option II* consists of a single organization with a centralized program expansion function, but shared administrative functions (e.g., budget, finance, human resources, audit, etc.). *Option III* depicts a single organization that blends, to the degree possible, program expansion functions into a transit operations structure.

OPTM and MDT have each developed a preferred version of *Option II*, which presents a single, unified department. We have appended these charts to the end of the *Business Models* section.

### *Survey Highlights*

Of the eleven public transportation systems with large expansion programs, we found that Miami-Dade County virtually stands alone in the manner in which it is now organized. *We found no other major transit provider that had separated the operating and expansion functions while maintaining two independent directors.* In nearly every major urban area, transit services are provided by an authority that has a full-time executive director, president or general manager who reports to a policy board. The leadership position of an authority is not the equivalent of an Assistant County Manager who is tasked with managing multiple departments and functions.

Our survey also revealed an array of organizational structures that were patterned to reflect the political realities of providing services to multiple general purpose governments. Factoring out these effects, it became clear that authorities ultimately have all transit functions reporting to a full-time executive, and that these organizations tended to have a well-defined structure for their expansion programs similar to *Option II*.

### *Option I: Separate Departments*

As reflected in their business plans, multiple functions within MDT and OPTM have a degree of overlap, including areas such as budget, finance, grants, audit, procurement, contract management, joint development, bus route planning, and public outreach. One approach to more clearly delineating functions would be to view OPTM as a manager of both the PTP program expansion and federal funds. In this role, OPTM would have primary responsibility for financial modeling and budgets, system planning, engineering, construction management, auditing, quality control, compliance, reporting and public outreach. MDT would focus primarily on operations, including those of bus, rail, and special transportation services. MDT would also retain limited financial (i.e., fare collection, advertising management, accounting, etc.), budgeting, short-term route planning and analysis, and quality service functions.

Other options can be developed which more narrowly define OPTM's role. For example, OPTM's purview could be limited to the PTP expansion program, or to just its rail expansion component. These options would reflect, however, a greater degree of overlapping functions between MDT and OPTM. Consequently, we have elected to analyze the efficacy of the expanded OPTM function, which includes managing both the PTP program expansion and federal funding.

Strengths:

- High degree of accountability to the Citizens' Independent Transportation Trust (CITT) and to the Federal Transit Administration (FTA)
- Coherent expansion planning and program management functions
- Customized staff

Challenges:

- Inadequate line of authority / lack of executive authority
- Duplicative functions and personnel in transit expansion and operating programs
- Potential disconnect between planning and operations
- Difficulty in maintaining discipline of *pro forma*

*Option II: Single Department, Centralized Development Functions*

This option presents a single department under the control of one executive which has a distinct operations chain, development chain, and an administrative group which serves the entire department. This option was the one most commonly found in our survey results, and is the preferred business model of the Office of Performance Improvement.

Strengths:

- Appropriate executive authority and reporting structure
- Efficient and effective use of planning and administrative resources
- Strong accountability for success of overall transit program
- Reduces opportunity for 'empire building'

Challenges:

- Added difficulty in isolating expansion expenditures

*Option III: Single Department, Decentralized Development Functions*

This option depicts a single department, responsible for both operations and expansion, that distributes its expansion functions within the framework of an operating department. Rail expansion functions are located within a rail reporting chain, and bus expansion functions are in a bus operations chain. Although this was not the prevalent model identified in our survey, certain authorities do blend a greater degree of functions than those in the previous option.

Strengths:

- Appropriate executive authority
- Promotes coordination of planning and operations within bus and within rail systems

Challenges:

- Decreased ability to plan and control coherent expansion program
- Difficulty in isolating expansion expenditures
- Potential staff duplications

### Program Management Models

Multiple definitions exist for the term *program management*. For the purpose of this report, program management will mean PTP *implementation planning* and a *project management* approach. *Global planning* will remain primarily the responsibility of the CITT, within the constraints of the previously defined roles of the County Manager, Metropolitan Planning Organization, and the Board of County Commissioners.

Program management for an expansion effort the size and complexity of the PTP will require both in-house and contracted staff. We have elected to present three simplified program management model options, though any number are possible. Each of our options is predicated on there being a single program manager for the entire PTP, as we saw no advantage to proposing multiple program managers for separate elements of the PTP.

*Option I* is very similar to the program management approach of the San Francisco Municipal Railway, wherein in-house staffs perform almost every function. *Option II* is similar to the approach employed by the Aviation Department's use of Dade Aviation Consultants. As part of this option, the department maintains and has responsibility for the expansion program, though most of the program coordination and administration, planning, design quality control, and construction oversight functions are contracted to a single program manager. *Option III* is most similar to the model employed by the Miami-Dade Expressway Authority, in which every major function is fully staffed by contracted personnel.

The program management charts attempt to parallel our proposed organizational structure for the expansion function. Each chart identifies planning, design and engineering, and construction oversight functions and sub-functions. The charts include, as well, a simplified depiction of program oversight and 'matrixed' project management responsibilities. *The charts do not capture assumed staffing levels nor, in the case of Option II, the mix of County and non-County employees.*

We assume that some variant of *Option II* that uses both County and non-County staffing will be selected. The development and implementation of the program management plan, to include a solicitation and awards process, is very time-consuming. A full model should identify all primary program and project management functions, requisite staffing levels, the mix of County and non-County personnel, an approximation of how staffing levels would adjust over time, and funding sources.

Although a full model will not be possible within the time-constraints of our budgeting process, intelligent staffing decisions can be made based upon slight refinements of *Option II*. Program management staffing recommendations will also be informed by federally mandated time-lines associated with transportation funding cycles, and by assumptions made by the Director of OPTM in his request for approximately one-hundred and fifty (150) additional positions. Mid-year corrections can be made to adjust for our approach to contracting for program and project management assistance. Consulting assistance and/or a peer review may help us hone our program management strategy.

Several criteria should be considered in determining which positions and functions should be contracted and which should remain in-house. At a minimum, the County must retain sufficient expertise to provide global planning recommendations to the CITT, and to maintain appropriate

control and oversight of contracted staff. The County should also factor in cost considerations, the changing nature of the skills sets required over time (i.e., length of employment issues), and the need to attract through competitive salaries hard-to-find expertise.

### *Survey Highlights*

Of the eleven jurisdictions surveyed, we found three (Chicago, Houston and Minneapolis-St. Paul) that had contracted with a single program or project manager to provide technical expertise and support for most functions of the project life cycle. An additional jurisdiction, Southeastern Pennsylvania, outsourced a significant portion of its overall capital program management.

While a few jurisdictions—notably Boston and San Francisco—utilize very few outside contractors or consultants, most jurisdictions have opted to retain in-house control of the planning functions as well as service delivery, while utilizing consultants or contractors for a number of other functions. The functions most commonly outsourced include environmental impact statements, design and engineering, and construction management and inspections. Jurisdictions cited a number of factors involved in decision making regarding the use of consultants, including: the ability to retain control over the capital program; the impact of consultants on program costs; the ability to obtain needed expertise (generally speaking, the newer the transit technology, the greater the need for outside consultants); the length of time for which expertise will be required and the flexibility—or lack thereof—to downsize upon project completion; and the extent of program and project risks.

#### *Option I: County as Program Manager*

Under this model, the County would perform almost all development functions using in-house staff. The County could elect to outsource major design work, or to utilize in-house engineers. In our survey, this model was found in relatively built-out jurisdictions with older transit technology and those with very strong labor unions.

##### Strengths:

- Sense of ownership, institutional memory and retention of expertise
- High degree of control

##### Challenges:

- May be difficult to hire needed expertise
- Overstaffing upon program completion
- If in-house staff is not yet in place, requires large scale hiring in compressed time frame
- Risk borne entirely by the County

#### *Option II: Private Program Manager, Design Consultant, Blend of County and Non-County Staff*

Under *Option II*, the County would hire an overall program management consultant as well as a separate design consultants. Most development functions would be performed by a mix of County and contractor personnel. As noted above, our survey identified three jurisdictions that have utilized this model. Additionally, about half of the jurisdictions surveyed use a varying mix of in-house and contractor personnel for different development functions.

Strengths:

- Ability to attract required expertise
- Ability to control size of in-house staff while retaining some in-house knowledge
- Checks and balances between consultants and County staff
- Risk shared with Private Program Manager and Design Consultant

Challenges:

- Close coordination with in-house staff required, especially near project completion and transition to revenue service
- County must ensure public interest is represented (there will be competing private interests)

*Option III: Private Program Manager*

*Option III* depicts a development program in which nearly all functions are carried out by a program management consultant. While some of the jurisdictions surveyed utilize consultants more heavily than others, none relies primarily on consultants for all functions. Most notably, almost all respondents have retained responsibility for planning in-house.

Strengths:

- Ability to control size of in-house staff
- High degree of continuity through all phases of project life cycle
- May be simpler to manage relationship with a single contractor
- Risks shared with Private Program Manager

Challenges:

- Close coordination with in-house staff required, especially near project completion and transition to revenue service
- Risk of over-reliance on consultant expertise and lack of appropriate controls
- Limited retention of in-house knowledge

*PTP Pro Forma and Service Plans*

OPI would like to have included in this report a summary of the updated *pro forma*, impacts of two service plan timelines, and cost information associated with quality enhancements to bus operations. This information was still under development at the time of this report. However, County staff did work with PFM to produce a report updating fiscal year 2002-03 and fiscal year 2003-04 budgets. The report presents various options for addressing identified shortfalls.

*Business Plans*

MDT, OPTM and the DPW – the three departments directly responsible for implementing portions of the PTP – have submitted business plans that are in various stages of development.

Each department was provided the following format for its business plan:

- Executive Summary
- Introduction
  - Purpose/Mission
  - Organization and Staffing Levels
  - Critical Success Factors
- The Plan
  - Strategic Plan Framework, Terms and Definitions
  - Strategic Plan Goals and Priority Outcomes pertaining to the Department
  - Department tasks/activities and objectives supporting each strategic plan Goal-Outcome-Objective
  - Additional Department goals tasks/activities and objectives

MDT's draft follows the format provided but does not yet appear to be consistent with the Manager's fiscal year 2003-04 proposed budget as the operating miles and the total expenses differ from the budget book (pages 19 and 22). Consistent with the Manager's budget message, MDT has stated that they are still working on budget numbers, however, until the Manager releases changes, it is recommended that they continue to use the official Manager's proposed budget. Additionally, more explanation is required regarding organizational changes and position increases between fiscal years 2002-03 and 2003-04, particularly in the administrative area. Most significantly, further explanation should be provided for the requested 739 additional positions and more information given concerning the \$44 million shortfall needed beyond the proposed budget (page 15).

OPTM's latest draft does not follow the format provided nor does it tie to the Manager's proposed budget. In particular, a discussion of positions needed versus budgeted, as well as of critical success factors, needs to be added. Comments were provided to OPTM last week, including: use the strategic plan definitions for terms; make the tasks/activities and performance objectives-measures specific to fiscal year 2003-04 and specific to OPTM only; and expand the section on staffing and budget plan. These comments still remain to be addressed.

DPW's draft plan follows the format provided and is close to final form. However, the weakest area of the plan is in relation to the PTP. DPW plans to address and resubmit a revised draft by Thursday 8/14/03.

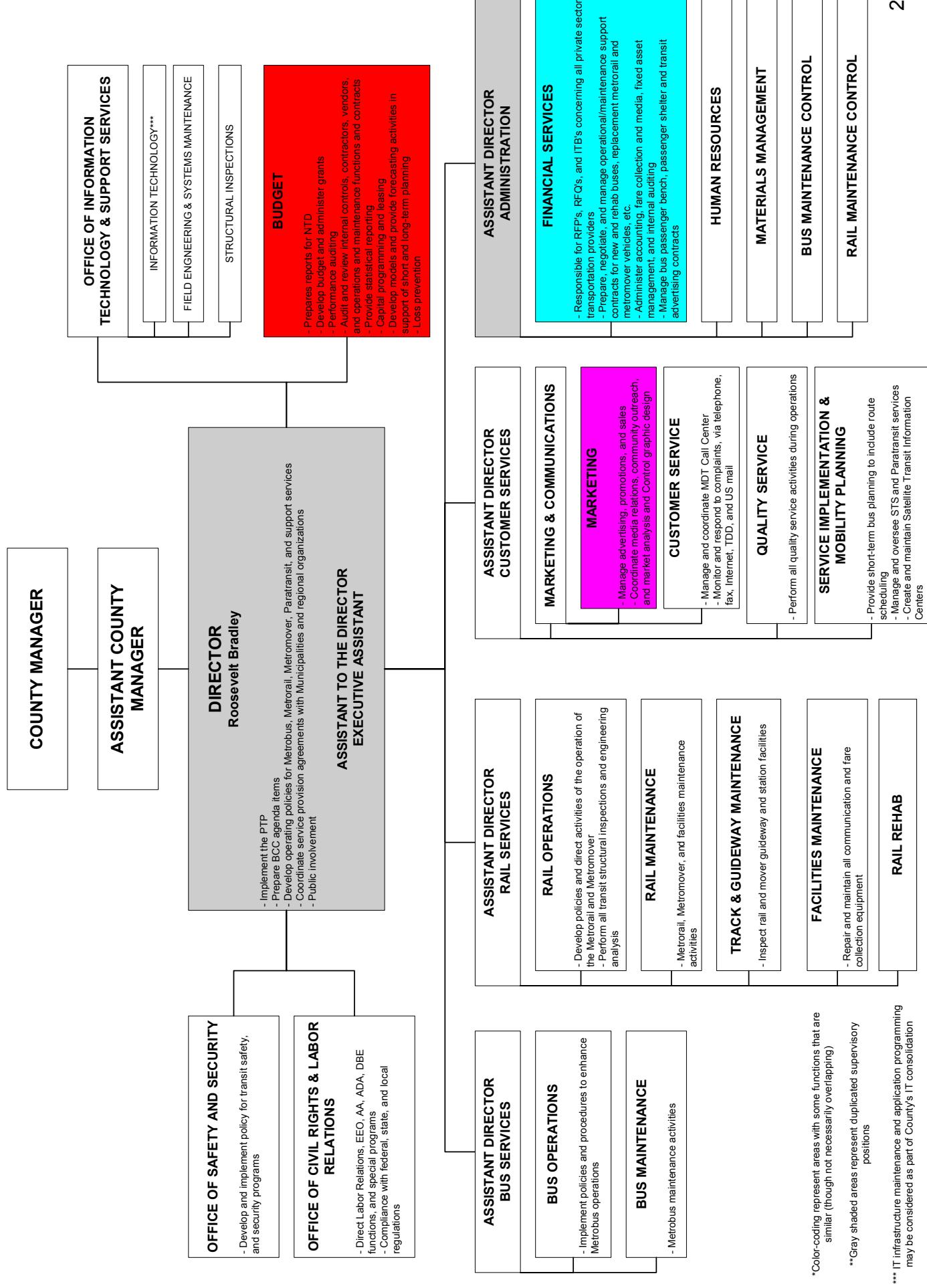
OPI continues to work with the departments to refine the business plans. Once the Manager has made a decision on the business planning models, OPI will assist departments to restructure their business plans.

# Business Model Options



## OPTION I: Single Departments

## MIAMI-DADE TRANSIT DEPARTMENT



## **Strengths/Challenges of Separate Department Business Model**

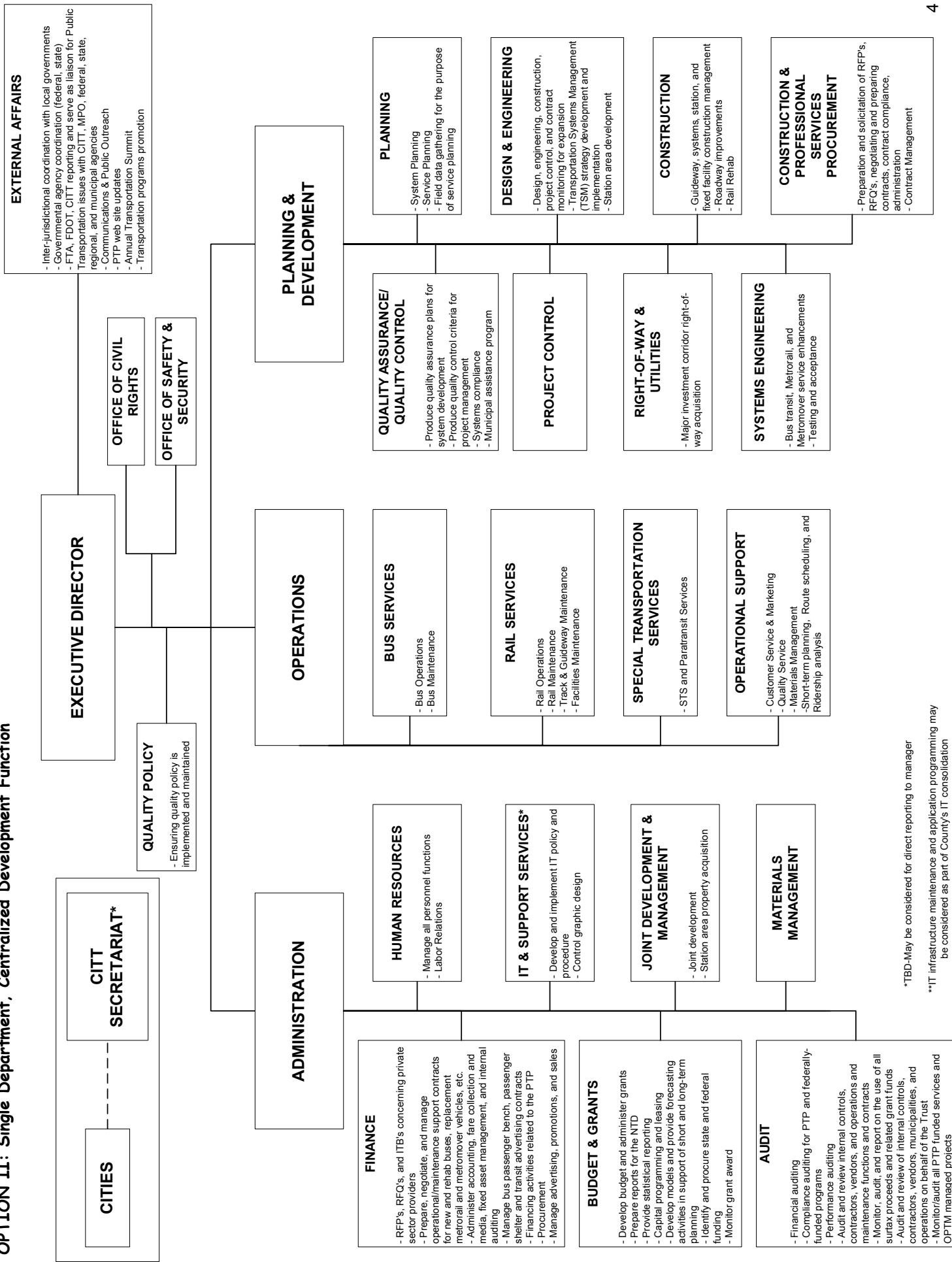
### **STRENGTHS**

- High degree of accountability to the Citizens' Independent Transportation Trust and Federal Transit Administration
- Coherent expansion planning and program management function
- Ability to customize staff to particular needs within each Department

### **CHALLENGES**

- Inadequate line of authority / lack of executive authority
- Complications in communication/coordination among functions between Departments
- Duplication of staff among similar functions between Departments
- Likelihood of 'empire building' increases when Departments do not depend on one another
- Difficulty in maintaining discipline of *pro forma*

## **OPTION II: Single Department, Centralized Development Function**



IT infrastructure maintenance and application programming may be considered as part of County's IT consolidation

## **Strengths/Challenges of Single Department, Centralized Development Function Business Model**

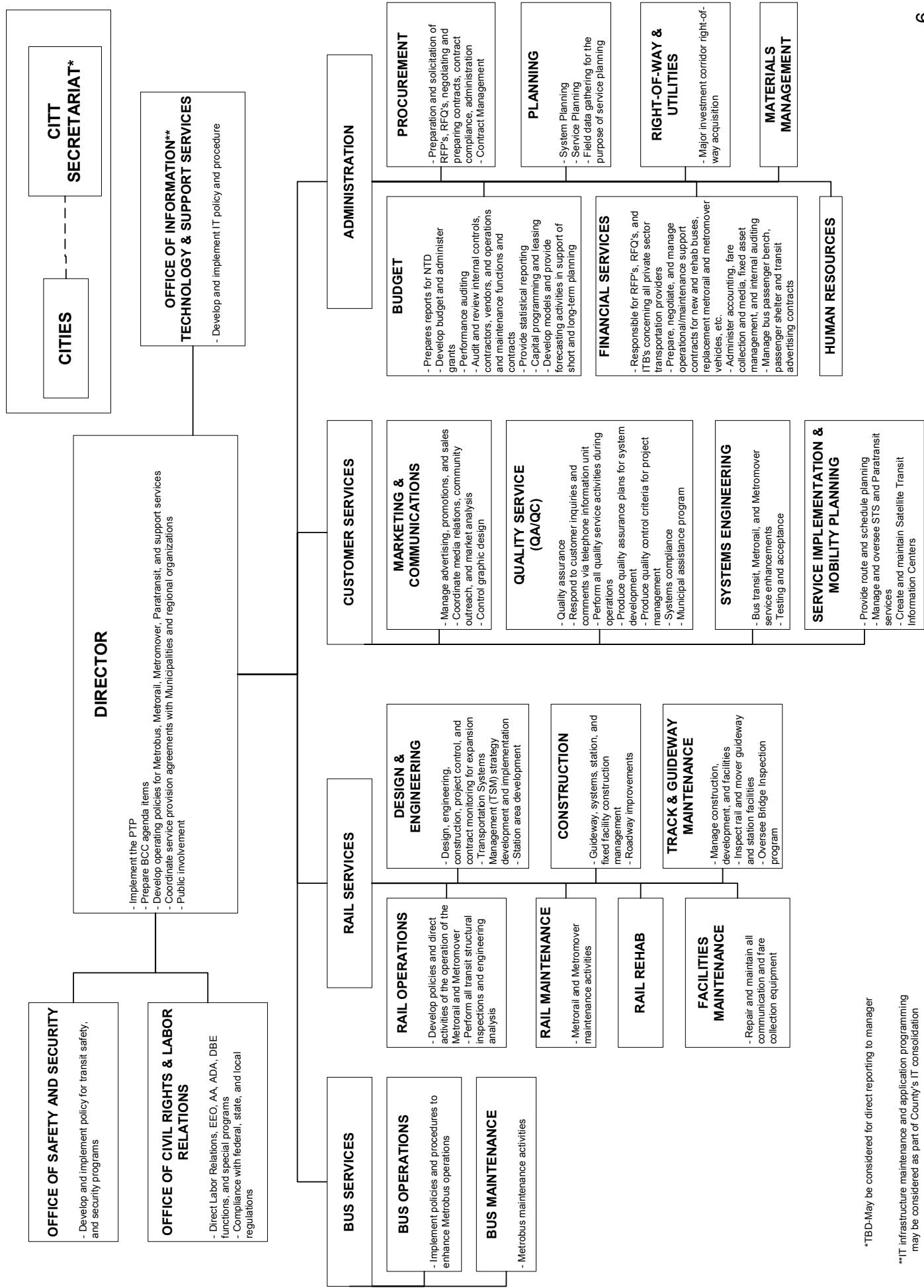
### **STRENGTHS**

- Appropriate executive authority and reporting structure
- Minimize duplication of staff over entire organization
- Minimize 'empire building' within any function by enforcing interdependence among functions
- Strong accountability for success of overall transit program

### **CHALLENGES**

- Planning staff may give inadequate attention to operational needs
- Added difficulty in isolating expansion expenditures

### OPTION III: Single Department, Decentralized Development Function



## **Strengths/Challenges of Single Department, Decentralized Development Function Business Model**

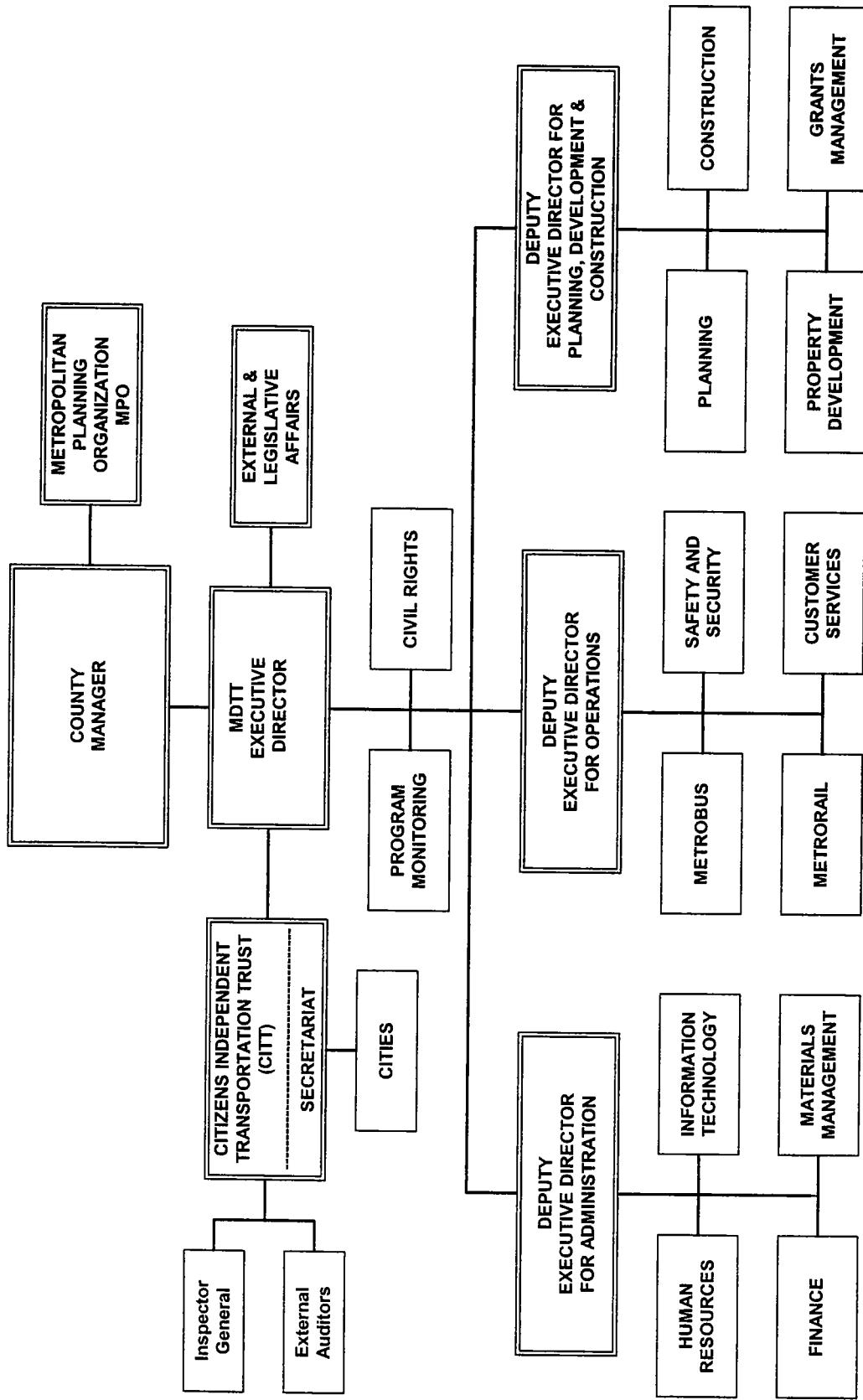
### **STRENGTHS**

- Appropriate executive authority
- Depending on specific organizational structure, may be closer coordination between certain capital and operational functions
- Maximum flexibility to pull in staff from other divisions as needed for projects
- Customize staff to particular needs within each function

### **CHALLENGES**

- Decreased ability to plan and control coherent expansion program
- Duplication of staff for similar positions among different functions
- Likelihood of 'empire building' increases when functions do not depend on one another
- Added difficulty in isolating expansion expenditures

# MIAMI-DADE TRANSPORTATION TRUST



## **COMMENTS ON RECOMMENDED BUSINESS MODELS**

### **I. GENERAL COMMENTS**

- A. The organization should have a name.  
Recommendation: Miami-Dade Transportation Trust.
- B. The title of the head of the organization should reflect more than transit and/or be distinct.  
Recommendation: Executive Director.
- C. The titles of subordinates should be alike.  
Recommendation: Director of "X" or Deputy Executive Director for "X".
- D. One of the existing issues is the lack of focus or proliferation of agencies acting independently of one another and yet with similar functions.  
As such the CITT and the MPO should be part of this organization.  
Recommendation: Assign the staffing of the MPO and the CITT to this organization.
- E. As of this date it is unclear what organization is responsible for the management of the PTP, including the funds.  
Recommendation: Clearly charge this organization with this responsibility.

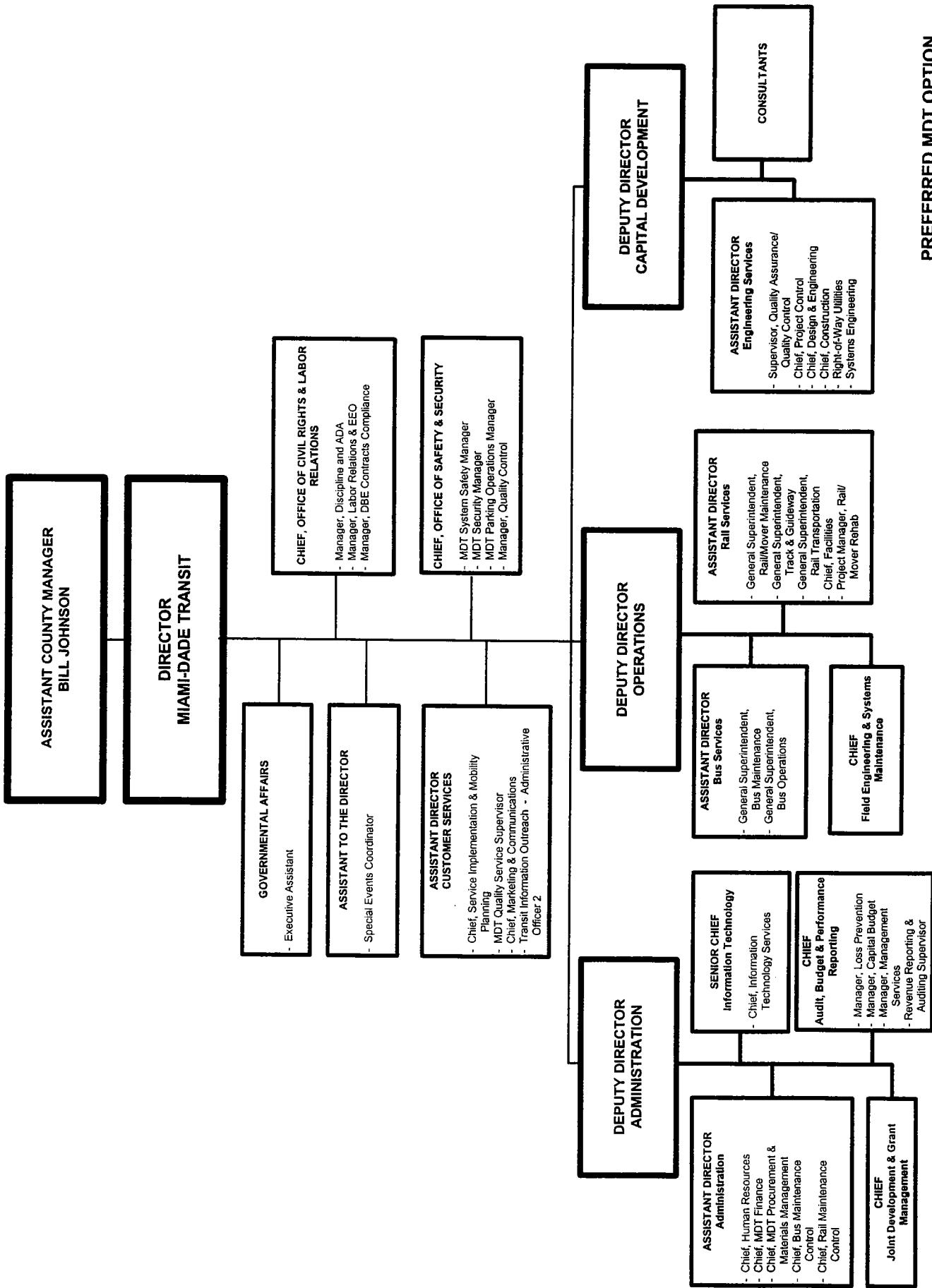
### **II. SPECIFIC COMMENTS (As to the differences between this model and OPI's Option 2 model)**

- A. External and Legislative Affairs. Same as OPI's model
- B. Program Monitoring. Expands on OPI's "Quality Policy" by adding Budget, Performance, and Monitoring of all PTP funded services and projects.
- C. Civil Rights. It is a federal requirement that some of these functions report directly to the head of the agency receiving federal funds. By housing in one unit Affirmative Action, Equal Employment Opportunity, ADA and Disadvantage Business Enterprise compliance we also mirror the FTA's Office of Civil Rights and improve communications.
- D. Deputy Executive Director for Administration
  - 1. Human Resources - Same as OPI's model except for Civil Rights.
  - 2. Finance - Combines "Finance" and "Audit" functions of OPI's model.
  - 3. Information Technology - Same as OPI's model.
  - 4. Materials Management - Separates function as a distinct unit.

- E. Deputy Executive Director for Operations.
  - 1. Bus Service - Same as OPI's model.
  - 2. Rail Service - Adds Electronic Equipment Maintenance to OPI's model and transfers Rail Re-habilitation to (F) below.
  - 3. Customer Services - Combines STS and Customer Service functions of OPI's model and clearly defines Marketing/Communications functions to be transferred to External and Legislative Affairs ([A] above).
  - 4. Safety and Security - This needs to be a separate unit. It also houses Operations (Field) Engineering, Bridge Inspection, and Maintenance Control functions.
- F. Deputy Executive Director for Planning, Development and Construction.
  - Same as OPI's model. Adds: Property/Joint Development for better coordination of new stations development; Grants for on-going relationship with FTA; and, Rail Re-habilitation.

## **MIAMI-DADE TRANSIT TABLE OF ORGANIZATION**

CONSOLIDATED DEPARTMENT



10/11/2003

## Survey Highlights: Business Models

- ❖ Overview of Survey Findings
- ❖ Placement of Functions Within Model II Organizational Structure
- ❖ Respondent Organizational Charts

# Overview of Survey Findings: Business Models



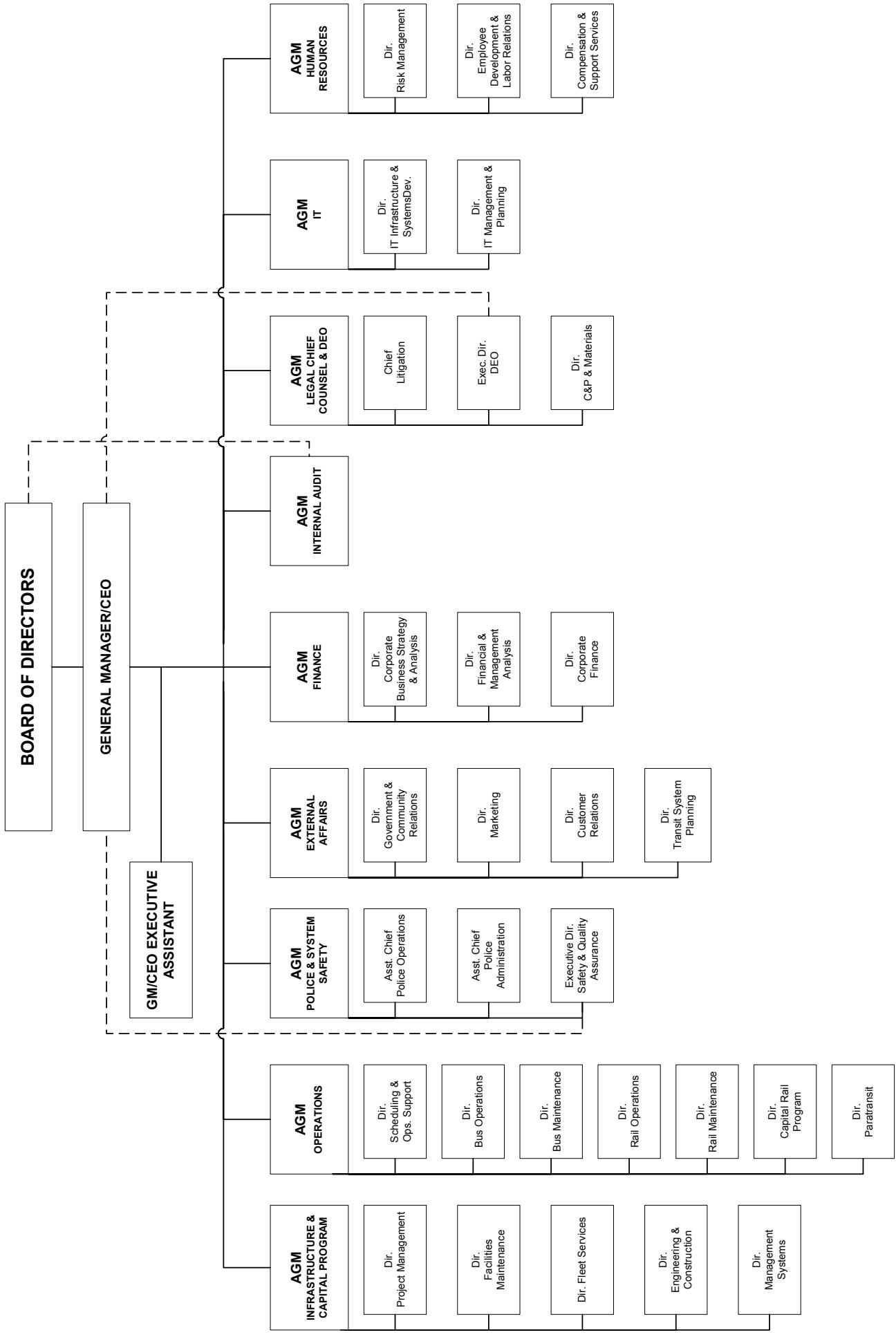
Business Model	Examples
Single Department, Centralized Development Function	<ul style="list-style-type: none"><li>Miami-Dade County</li><li>Phoenix Valley Metro Rail</li><li>Houston Metro</li><li>Chicago Transit Authority</li><li>Rapid Transit Authority</li><li>Santa Clara Valley Transportation Authority</li><li>Southeastern Pennsylvania Transportation Authority</li><li>Washington Metropolitan Area Transit Authority</li></ul>
Single Department, Decentralized Development Functions	<ul style="list-style-type: none"><li>Sound Transit (Seattle/Tacoma, WA)</li><li>San Francisco Municipal Railway</li><li>Massachusetts Bay Transportation Authority</li><li>Metropolitan Atlanta Rapid Transit Authority</li><li>Metropolitan Council (Minneapolis-St. Paul)</li></ul>

**Placement of Functions Within Model II Organizational Structure\***  
**By Jurisdiction**

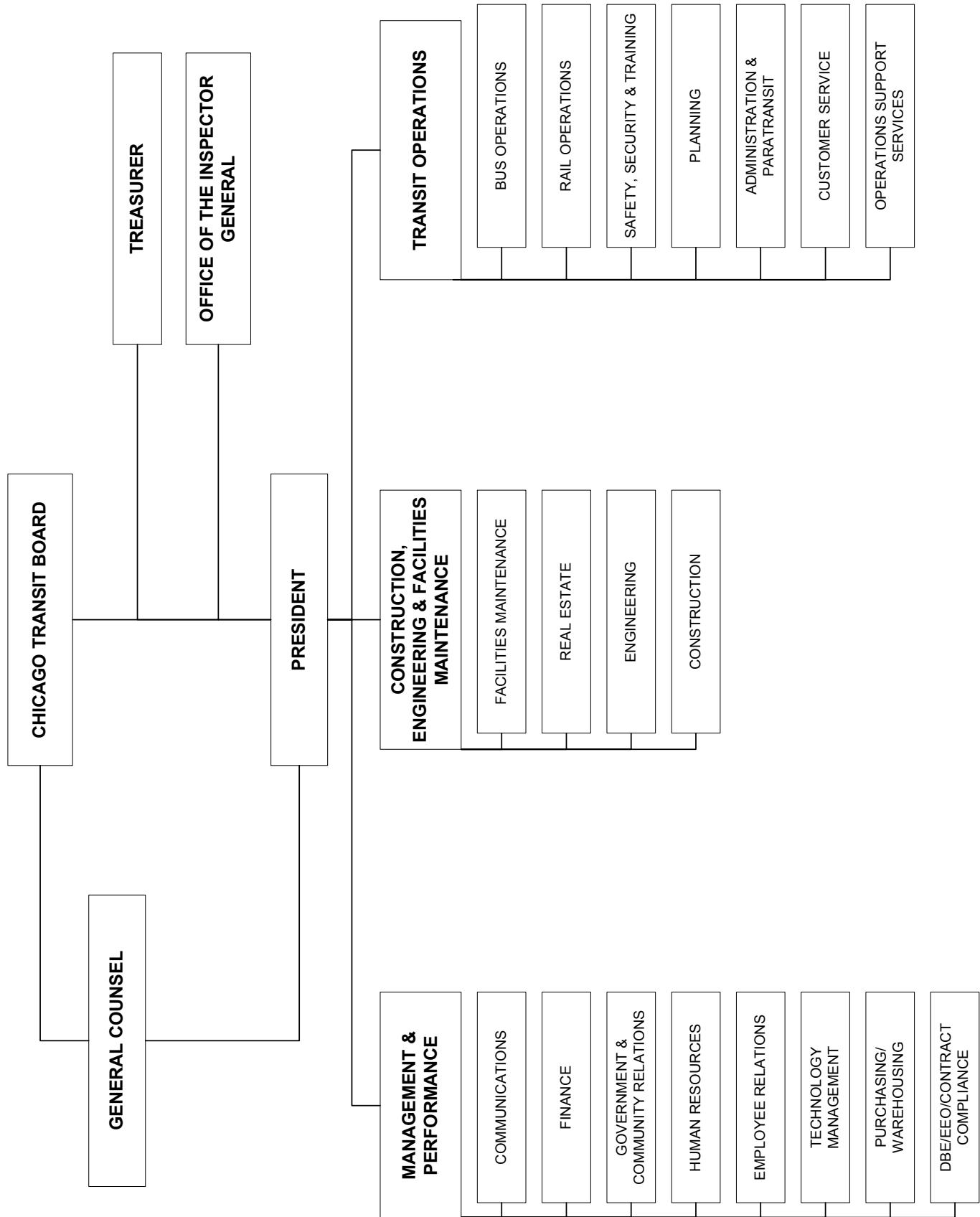
	Administration / External Affairs	Operations	Development
Program Planning	Boston, MA S.E. Pennsylvania	Minneapolis-St. Paul, MN Seattle, WA	Atlanta, GA Boston, MA Houston, TX Minneapolis-St. Paul, MN San Francisco, CA
Program Management	Boston, MA	Seattle, WA	Atlanta, GA Boston, MA Chicago, IL Houston, TX San Francisco, CA
Financial Planning	Atlanta, GA Boston, MA Chicago, IL Houston, TX Santa Clara, CA	Seattle, WA S.E. Pennsylvania Washington, D.C.	San Francisco, CA Washington, D.C.
Capital Planning	Atlanta, GA Boston, MA S.E. Pennsylvania	Atlanta, GA Seattle, WA Washington, D.C.	Chicago, IL San Francisco, CA Santa Clara, CA S.E. Pennsylvania Washington, D.C.
Service Planning	S.E. Pennsylvania	Atlanta, GA Boston, MA Chicago, IL Houston, TX Phoenix, AZ	San Francisco, CA Seattle, WA Washington, D.C.
Citizen Participation	Atlanta, GA Boston, MA Chicago, IL Houston, TX Seattle, WA	Boston, MA San Francisco, CA	Boston, MA San Francisco, CA Santa Clara, CA Washington, D.C.
Right-of-way Acquisition	Seattle, WA		Boston, MA S.E. Pennsylvania Chicago, IL Houston, TX San Francisco, CA Santa Clara, CA
Environmental Impact Statements	S.E. Pennsylvania	Seattle, WA	Atlanta, GA Boston, MA Chicago, IL Houston, TX San Francisco, CA
Design/Engineering of Capital Projects		Seattle, WA	Atlanta, GA Boston, MA Chicago, IL Houston, TX San Francisco, CA
Construction Management		Seattle, WA	Atlanta, GA Boston, MA Chicago, IL Houston, TX San Francisco, CA
Construction Inspections		Seattle, WA	Atlanta, GA Boston, MA Chicago, IL Houston, TX San Francisco, CA
Service Monitoring/Auditing	Atlanta, GA Santa Clara, CA	Boston, MA Chicago, IL Phoenix, AZ San Francisco, CA Seattle, WA	Washington, D.C.
Service Delivery	Houston, TX	Atlanta, GA Boston, MA Chicago, IL Houston, TX Phoenix, AZ San Francisco, CA	Santa Clara, CA Seattle, WA S.E. Pennsylvania Washington, D.C.
Marketing/Media Relations	Atlanta, GA Boston, MA Chicago, IL San Francisco, CA Santa Clara, CA	Seattle, WA S.E. Pennsylvania Washington, D.C.	Houston, TX Phoenix, AZ

\* Jurisdictions are classified according to the chain that each function would have corresponded to if the jurisdiction were organized into three separate chains of administration, operations and development. For example, if a certain function were handled by a jurisdiction's construction division, it would be shown as belonging to the "development" chain.

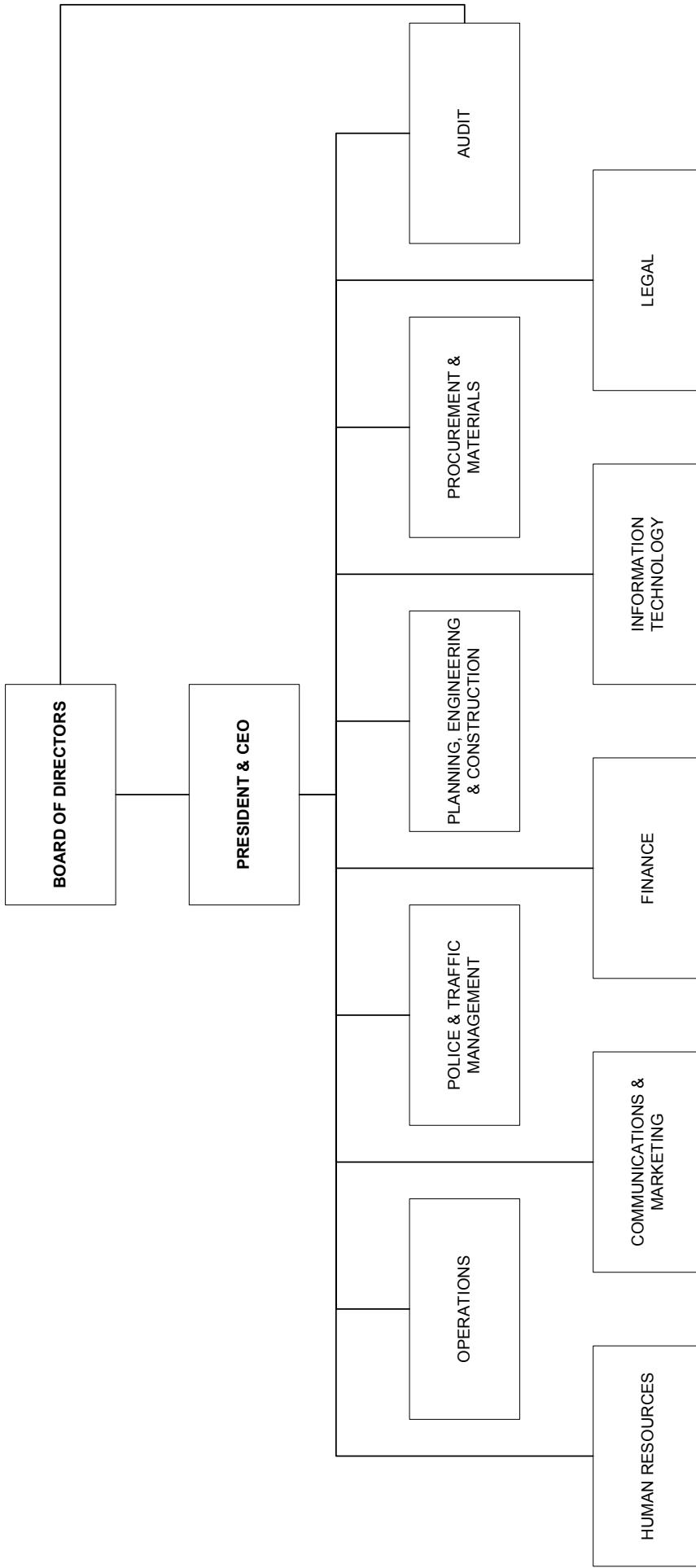
**METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY  
(MARTA)**



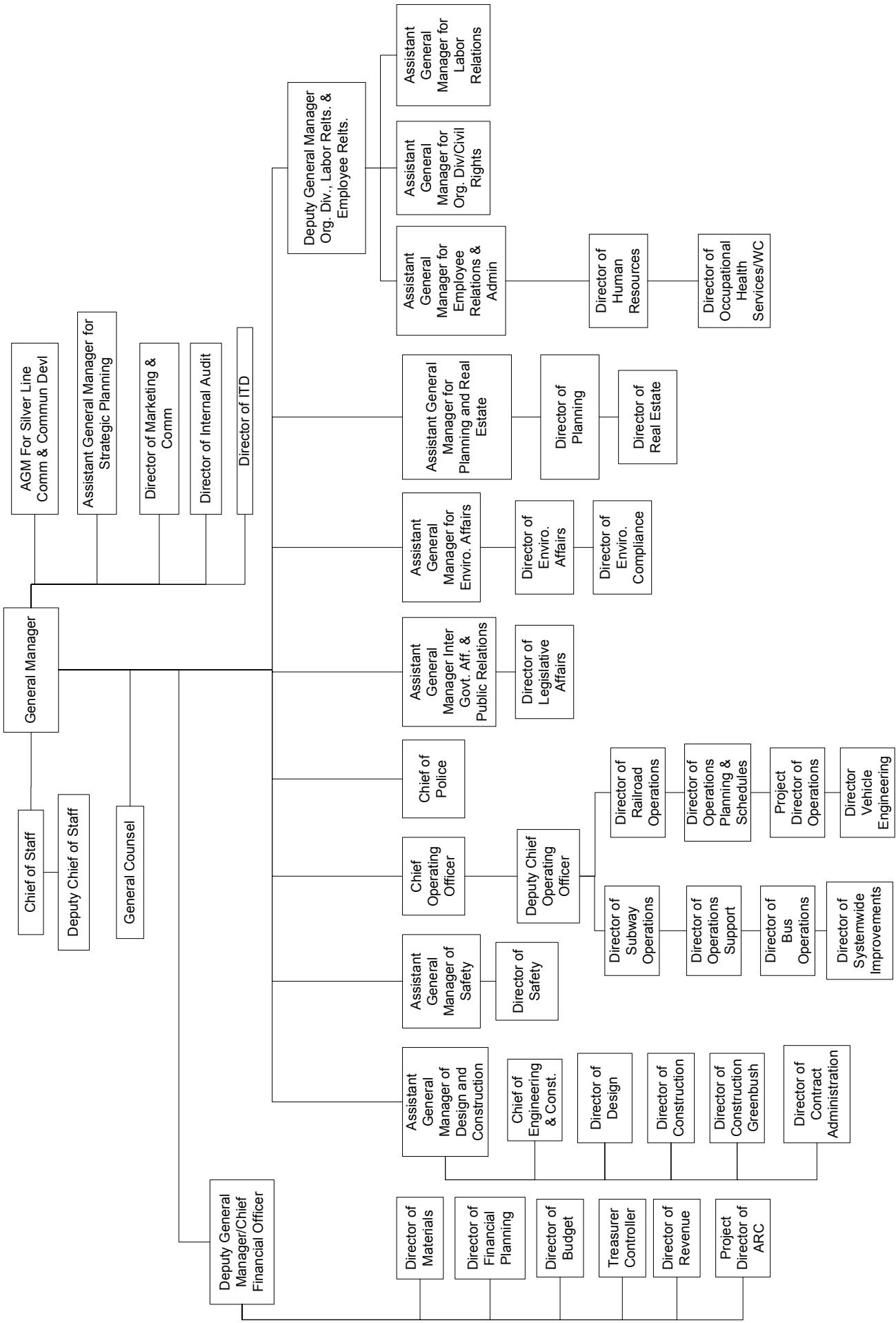
## CHICAGO TRANSIT AUTHORITY



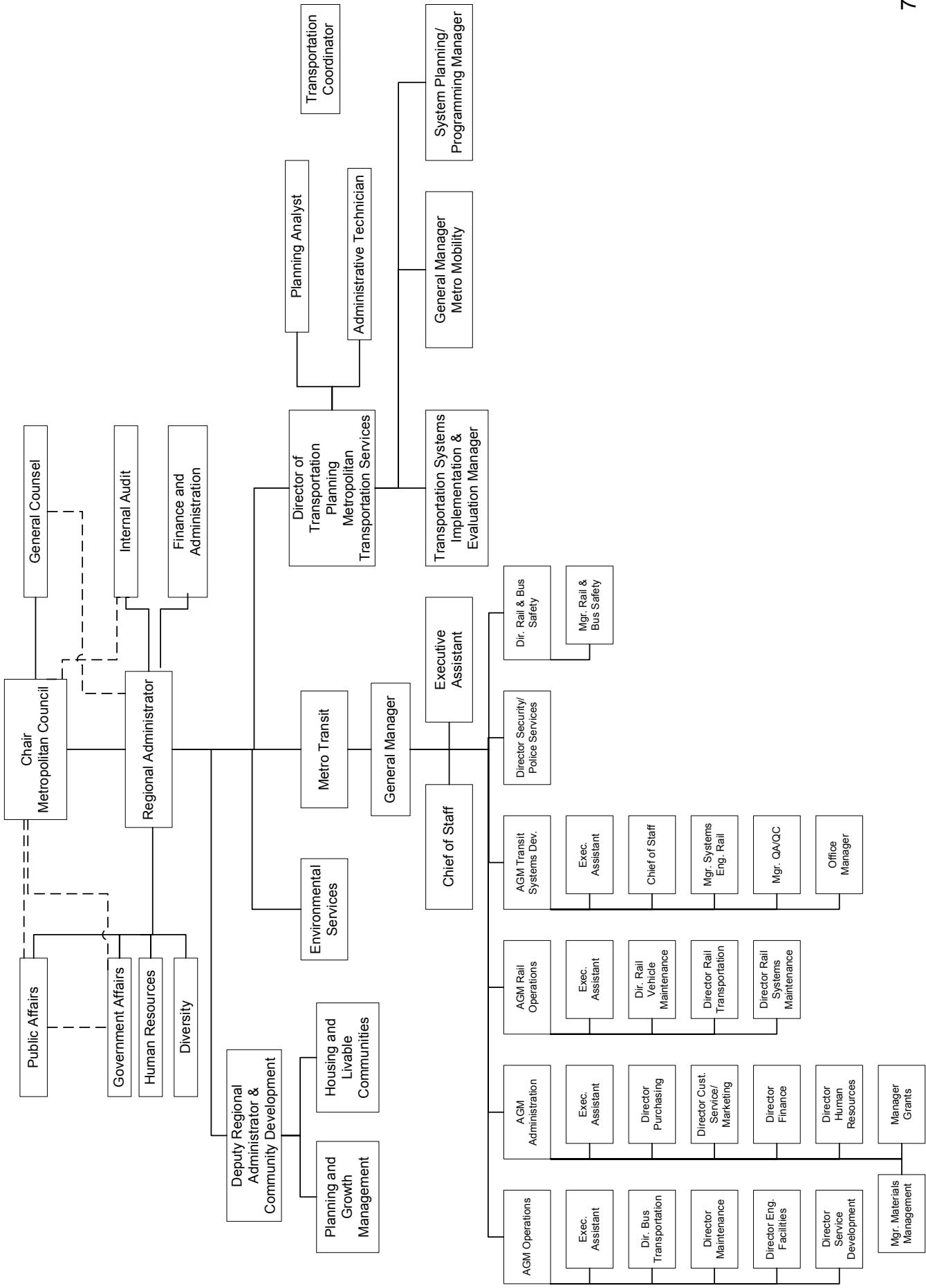
METROPOLITAN TRANSIT AUTHORITY OF HARRIS COUNTY, TX



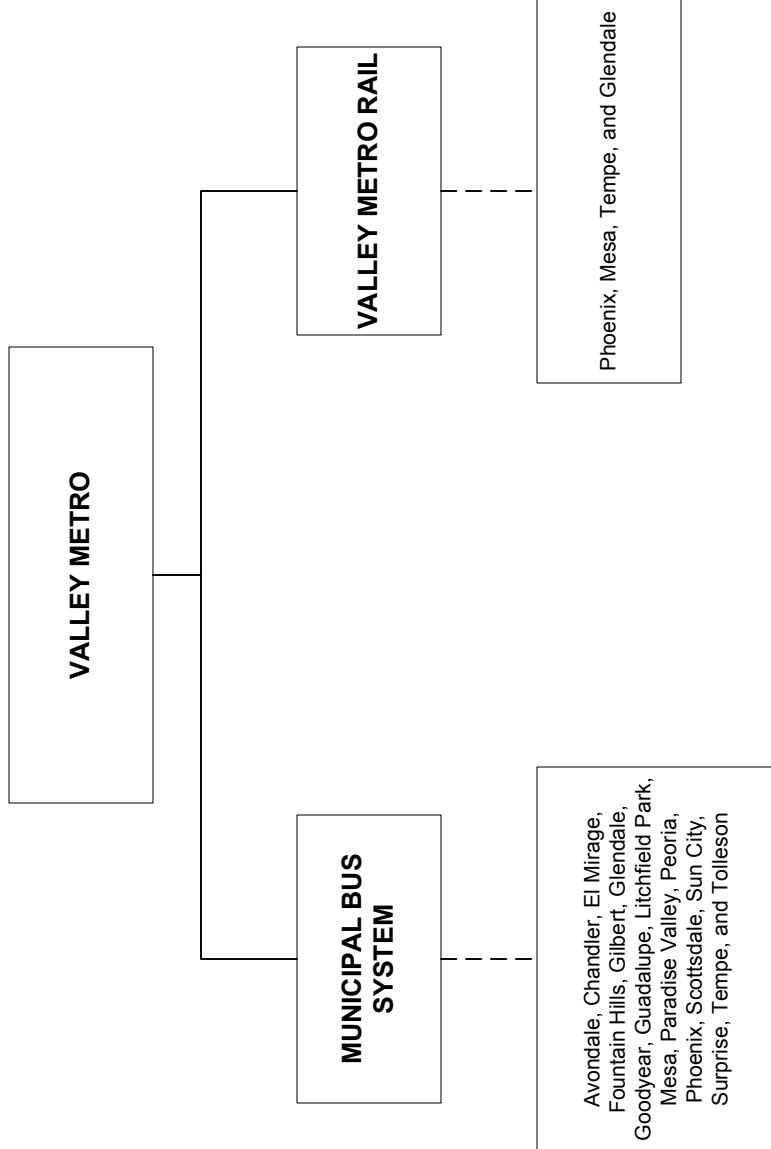
## Massachusetts Bay Transportation Authority



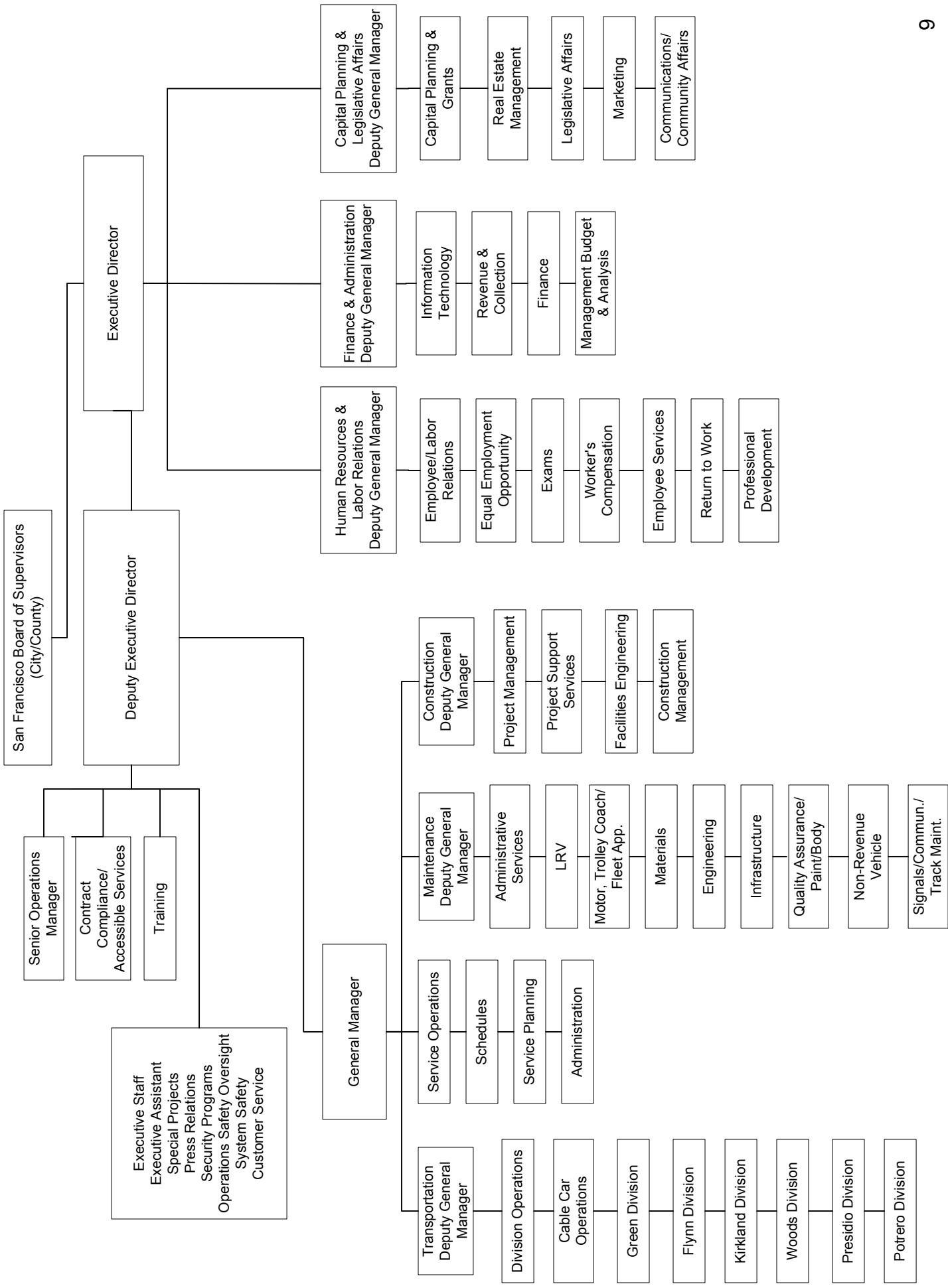
METROPOLITAN COUNCIL - MINNEAPOLIS/ST. PAUL



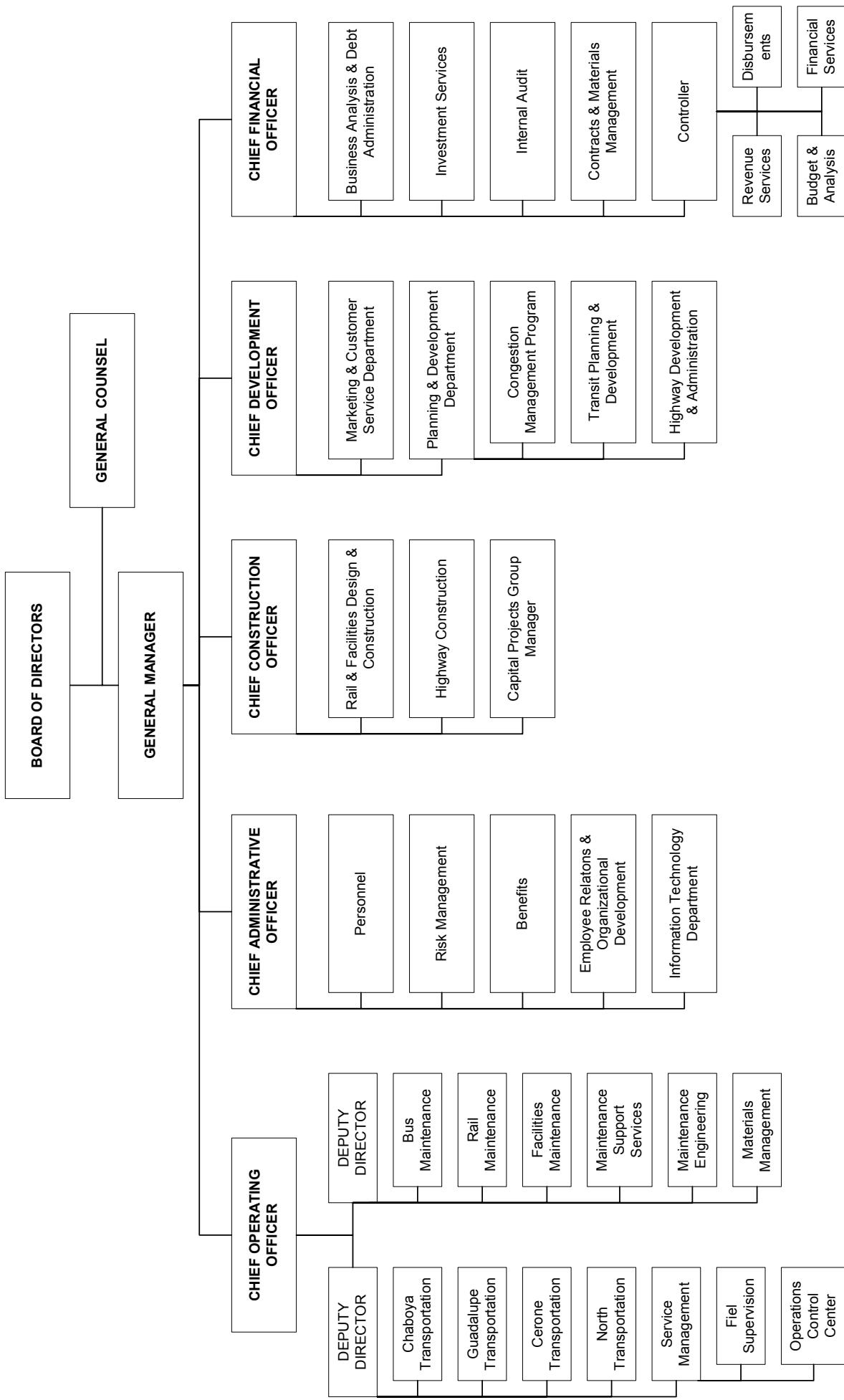
## **VALLEY METRO (MARICOPA COUNTY, AZ)**



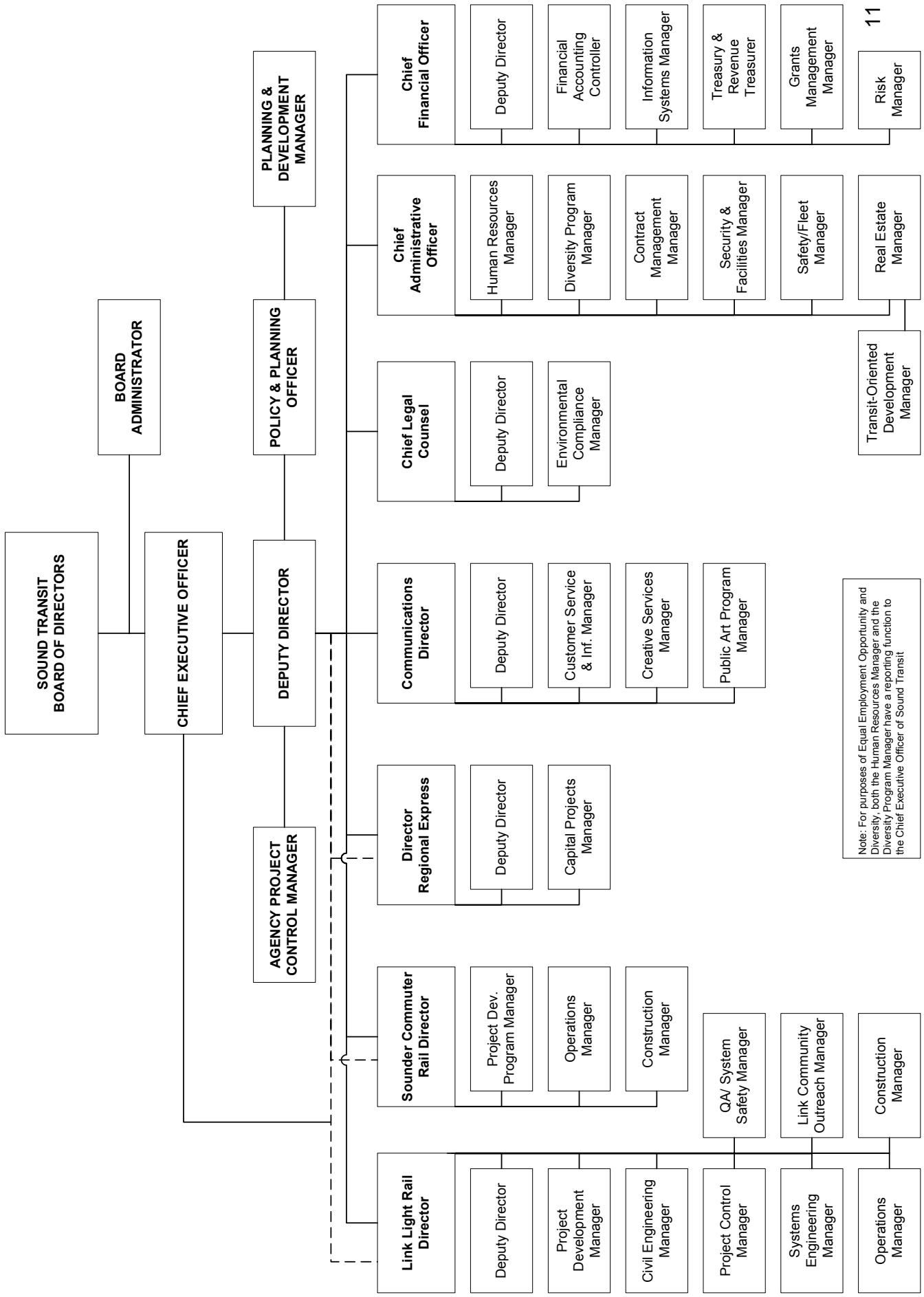
# Municipal Transportation Agency San Francisco Municipal Railway



SANTA CLARA VALLEY TRANSPORTATION AUTHORITY

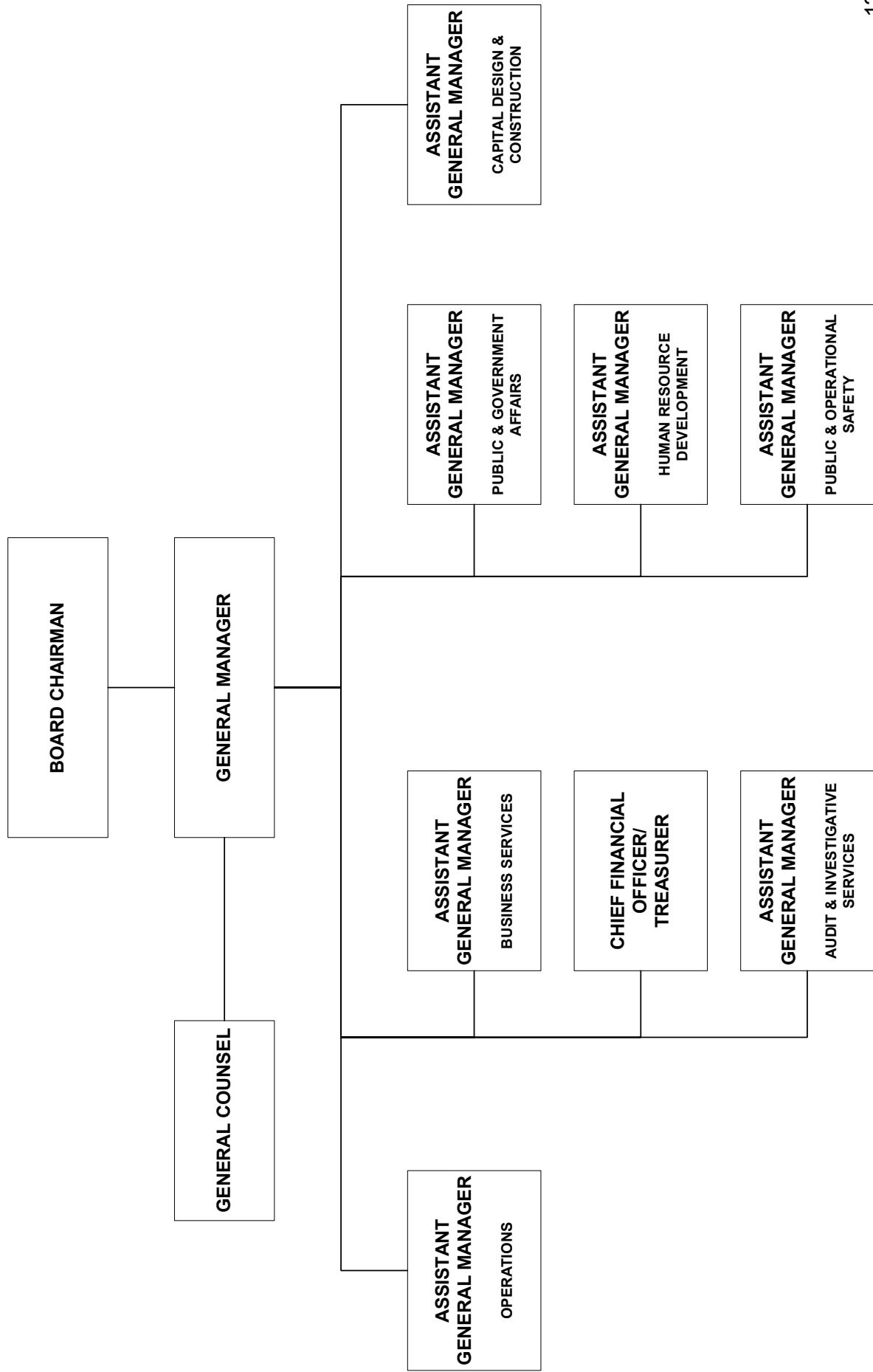


SEATTLE - SOUND TRANSIT

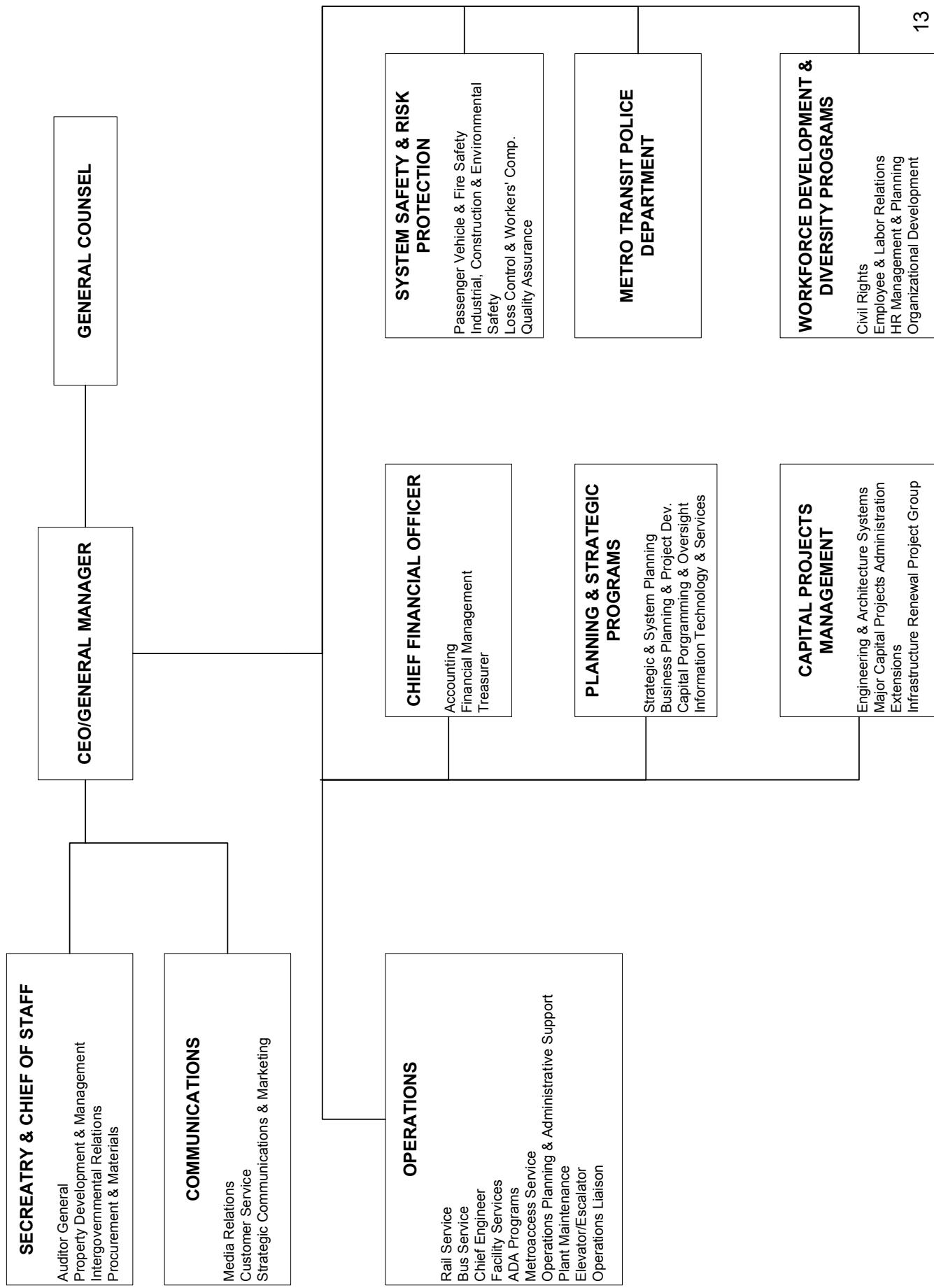


Note: For purposes of Equal Employment Opportunity and Diversity, both the Human Resources Manager and the Diversity Program Manager have a reporting function to the Chief Executive Officer of Sound Transit

**SOUTHEASTERN PENNSYLVANIA  
TRANSPORTATION AUTHORITY**

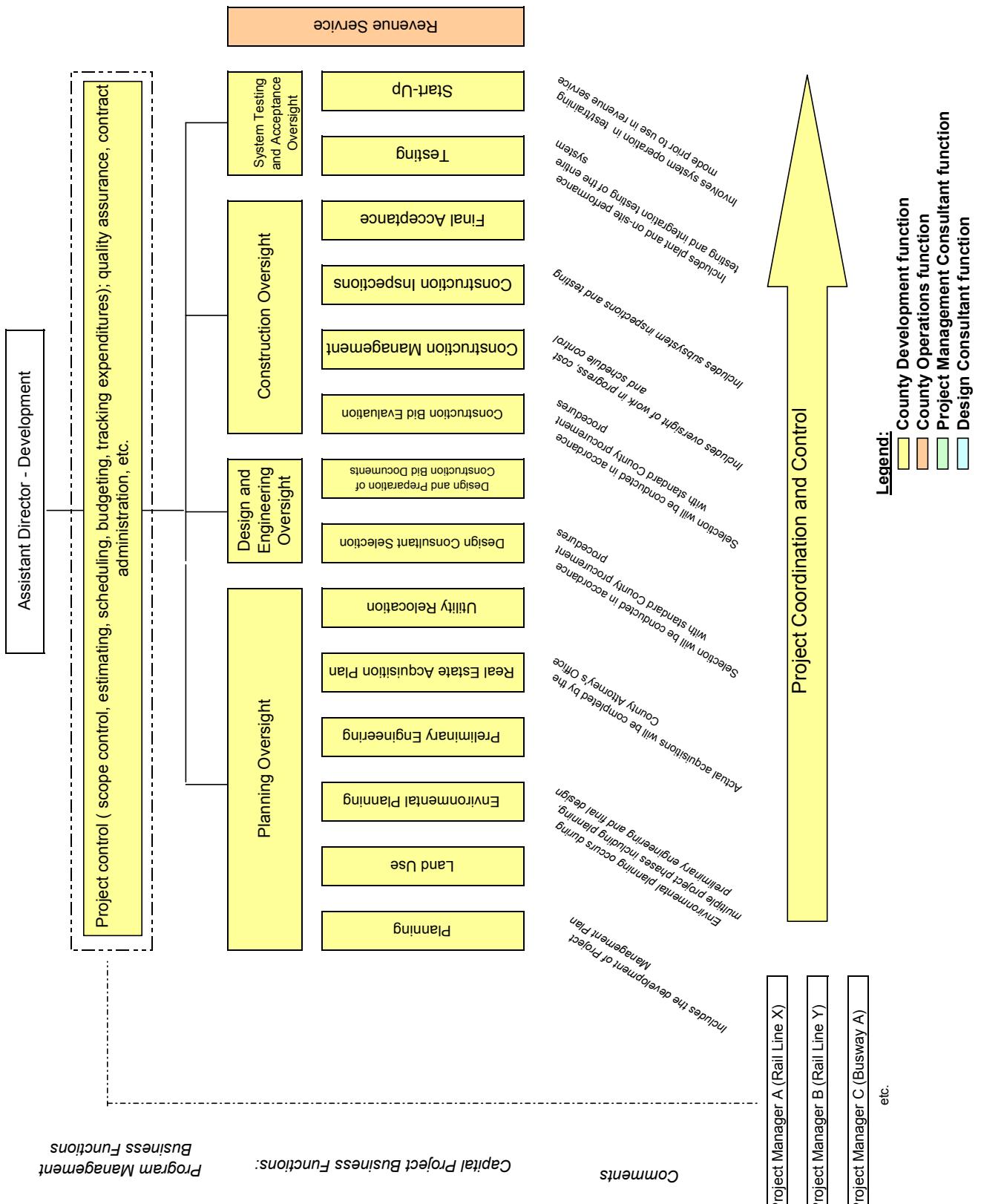


# WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY



# Program Management Options

## Program Management Model Option I: County as Program Manager



## Strengths and Challenges of Program Management Option I: County as Program Manager

### Strengths:

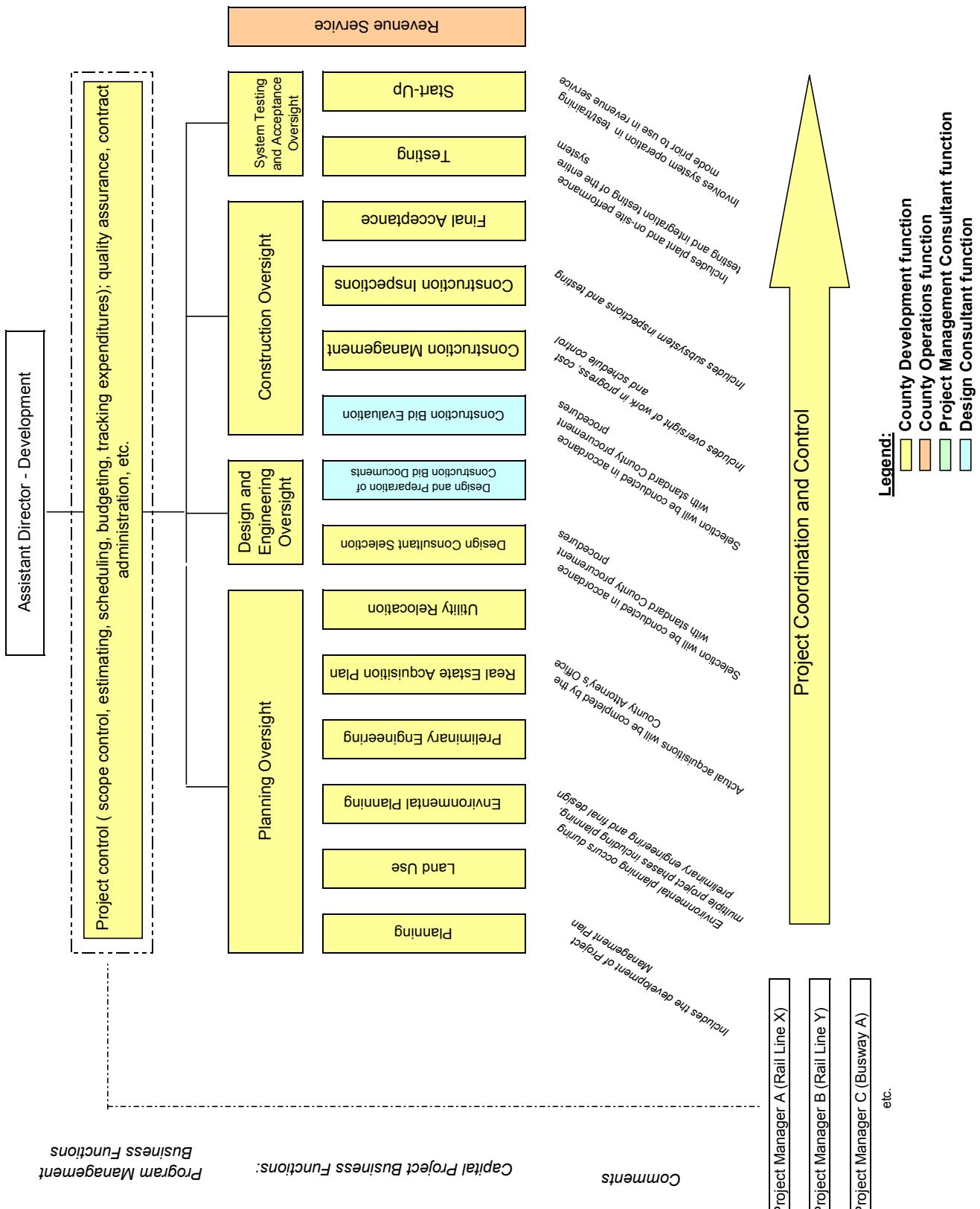
- Sense of ownership and institutional memory
- Retention of extensive in-house expertise, especially with old or unique technology
- If in-house staff is already in place, little lag time at project start-up
- Fewer procurement delays
- Easier to ensure public interest is represented (no competing private interests)

### Challenges:

- If in-house staff is not yet in place, requires large scale hiring in compressed time frame
- For certain technologies (e.g. rail), limited labor supply may impede the attraction of needed expertise
- Overstaffing upon project completion, particularly where civil service protections are strong
- Less pressure to deliver product on time
- May be higher wages and benefits in-house
- Risk born entirely by the County

Program Management Model

Option I (modified): County as Program Manager, Design Consultant



## Strengths and Challenges of Program Management Option I (modified): County as Program Manager, Design Consultant

### Strengths:

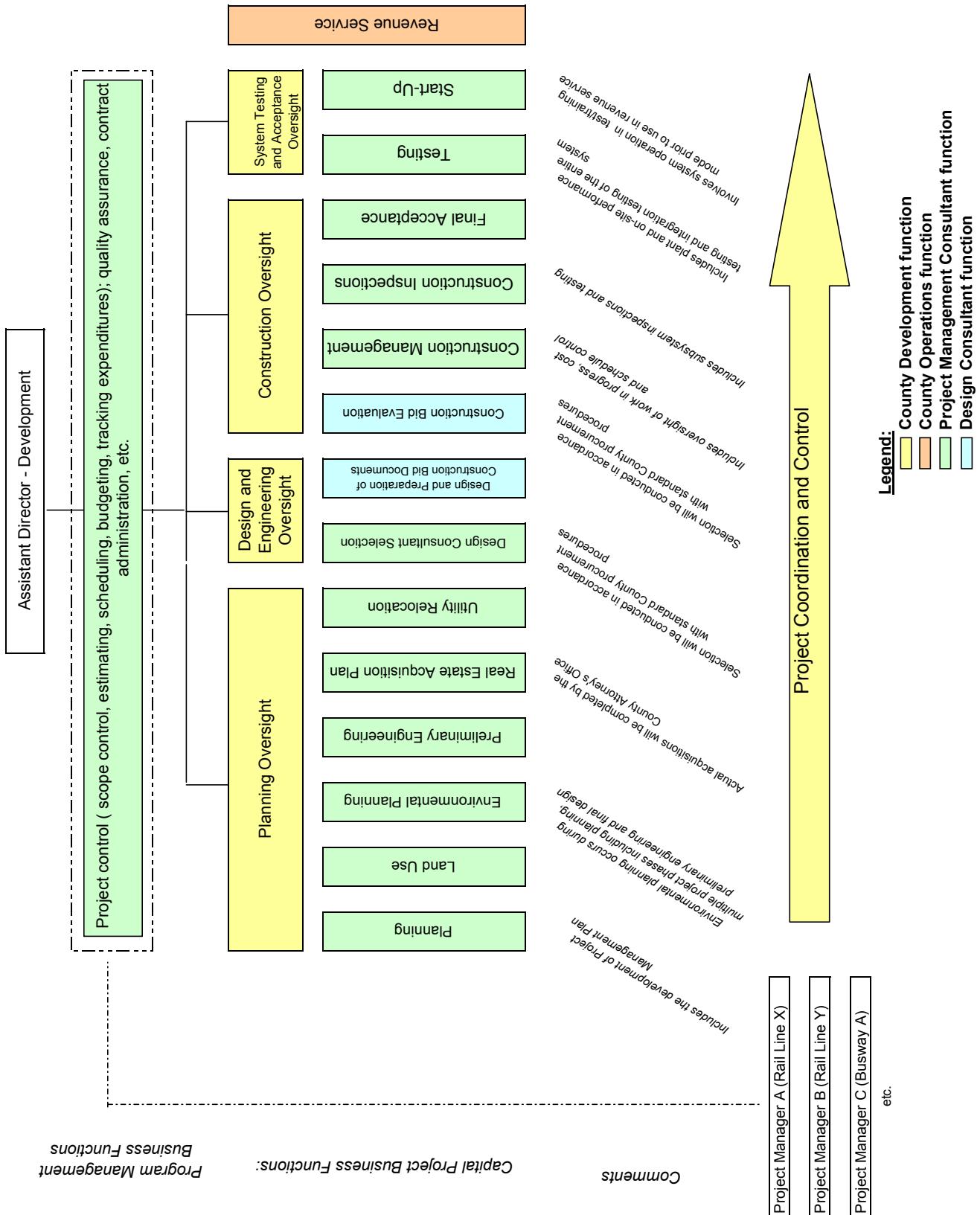
- Sense of ownership and institutional memory
- Retention of extensive in-house expertise, especially with old or unique technology
- Ability to attract needed design expertise
- Use of design consultants mitigates tendency to overstaff
- If in-house staff is already in place, little lag time at project start-up
- Fewer procurement delays
- Risk of Design Phase shared with Consultant

### Challenges:

- If in-house staff is not yet in place, requires large scale hiring in compressed time frame
- For certain technologies (e.g. rail), limited labor supply may impede the attraction of needed expertise for functions other than design
- Overstaffing upon project completion, particularly where civil service protections are strong
- Less pressure to deliver product on time
- May be higher wages and benefits in-house
- Risk of all other phases born entirely by the County

## Program Management Model

### Option II: Private Program Manager, Design Consultant, Blend of County and Non-County Staff



**Strengths and Challenges of Program Management**  
**Option II:**  
**Private Program Manager, Design Consultant, Blend of**  
**County and Non-County Staff**

**Strengths:**

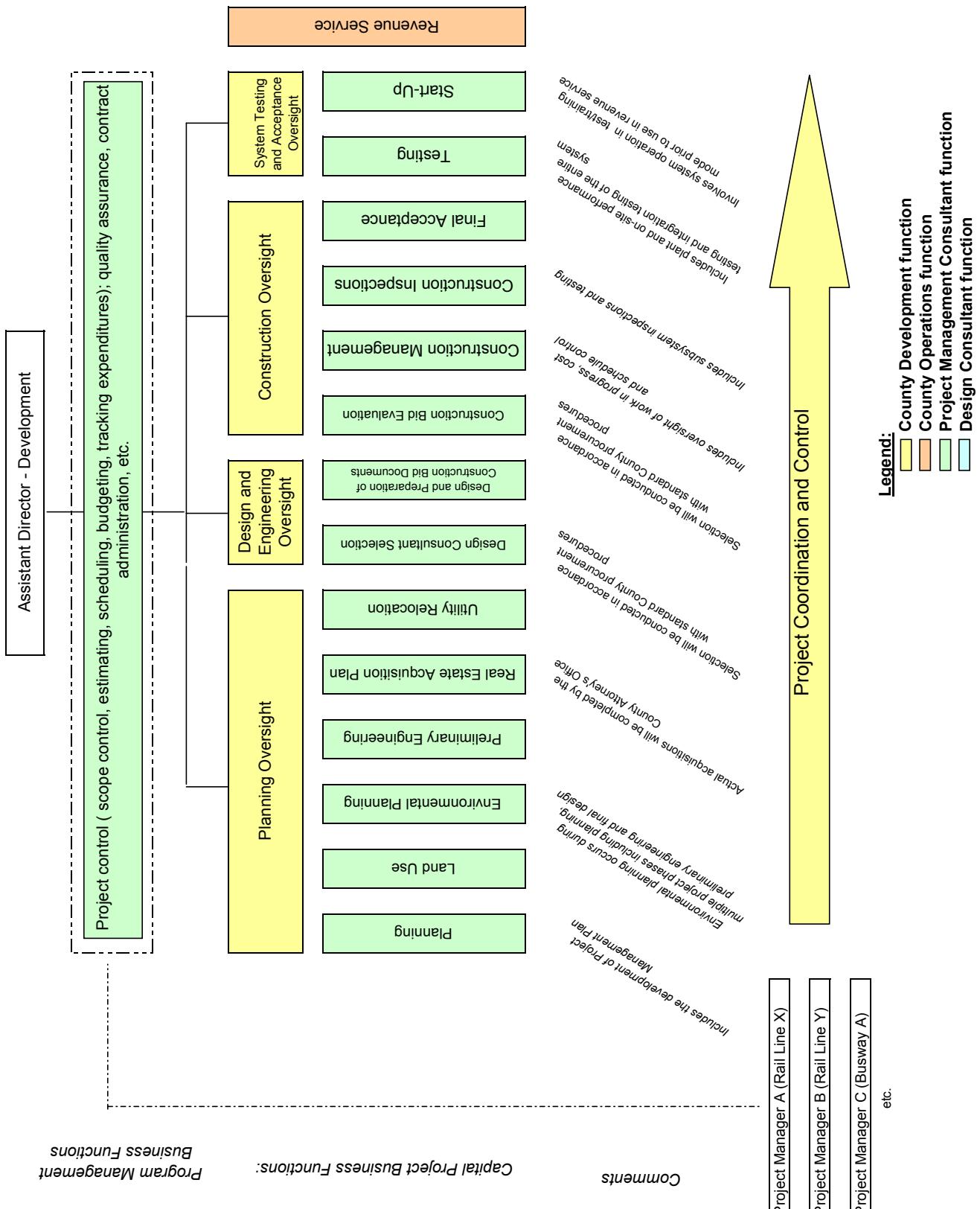
- Ability to attract needed expertise, especially for newer technology or technologies with limited labor supply
- Ability to control size of in-house staff while retaining some in-house knowledge
- Checks and balances between consultants and County staff
- Checks and balances between program manager and design consultant
- Greater pressure to deliver the product on time
- Work spread among multiple firms in the community
- Risk shared with Private Program Manager and Design Consultant

**Challenges:**

- Close coordination with in-house staff required, especially near project completion and transition to revenue service
- Risk of communication gaps and duplication of efforts between program manager and design consultant
- Risk of over-reliance on consultant expertise
- Procurement delays
- County must ensure public interest is represented (there will be competing private interests)

## Program Management Model County Oversight, Private Program

### Option III: County Oversight, Private Program Manager



## Strengths and Challenges of Program Management

### Option III: Private Program Manager

#### Strengths:

- Ability to attract needed expertise, especially for newer technology or technologies with limited labor supply
- Ability to control size of in-house staff
- High degree of continuity through all phases of project life cycle
- May be simpler to manage relationship with a single contractor
- Greater pressure to deliver the product on time
- Risks shared with Private Program Manager

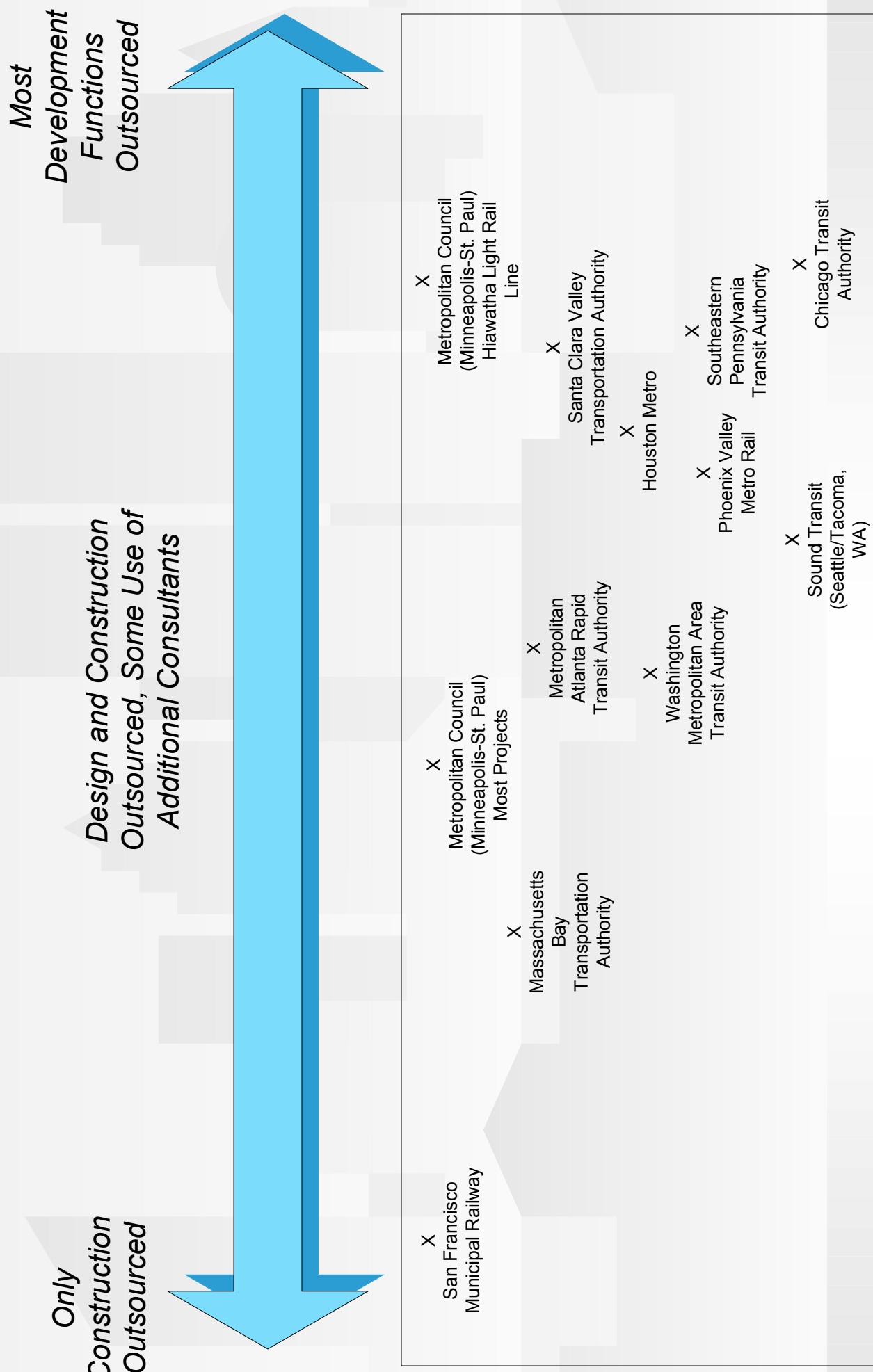
#### Challenges:

- Close coordination with in-house staff required, especially near project completion and transition to revenue service
- Risk of over-reliance on consultant expertise
- Limited retention of in-house knowledge
- Lack of checks and balances on design issues
- Procurement delays

## Survey Highlights: Program Management

- ❖ Overview of Survey Findings
- ❖ Transit Functions Completed In-House or Outsourced

# Overview of Survey Findings: Program Management



## Transit Functions Completed In-House or Outsourced By Jurisdiction

	<b>Majority In-House</b>	<b>Majority Outsourced</b>	<b>50%-50%</b>
<b>Program Planning</b>	Atlanta, GA Boston, MA Houston, TX Minneapolis-St. Paul, MN	Phoenix, AZ San Francisco, CA Seattle, WA	Chicago, IL S.E. Pennsylvania
<b>Program Management</b>	Atlanta, GA Boston, MA Phoenix, AZ	San Francisco, CA Seattle, WA	Chicago, IL Houston, TX S.E. Pennsylvania Minneapolis-St. Paul, MN
<b>Financial Planning</b>	Atlanta, GA Boston, MA Chicago, IL Houston, TX Minneapolis-St. Paul, MN Phoenix, AZ	San Francisco, CA Santa Clara, CA Seattle, WA S.E. Pennsylvania Washington, D.C.	
<b>Capital Planning</b>	Atlanta, GA Boston, MA Houston, TX Minneapolis-St. Paul, MN Phoenix, AZ	San Francisco, CA Santa Clara, CA Seattle, WA S.E. Pennsylvania	Chicago, IL Washington, D.C.
<b>Service Planning</b>	Atlanta, GA Boston, MA Chicago, IL Houston, TX Minneapolis-St. Paul, MN Phoenix, AZ	San Francisco, CA Santa Clara, CA Seattle, WA S.E. Pennsylvania Washington, D.C.	
<b>Citizen Participation</b>	Atlanta, GA Boston, MA Chicago, IL Houston, TX Minneapolis-St. Paul, MN	Phoenix, AZ San Francisco, CA Santa Clara, CA Seattle, WA S.E. Pennsylvania	Washington, D.C.
<b>Right-of-way Acquisition</b>	Atlanta, GA Boston, MA Houston, TX Minneapolis-St. Paul, MN San Francisco, CA	Seattle, WA S.E. Pennsylvania	Chicago, IL Phoenix, AZ Washington, D.C.
<b>Environmental Impact Statements</b>	Boston, MA Minneapolis-St. Paul, MN San Francisco, CA		Atlanta, GA Chicago, IL Houston, TX Phoenix, AZ Santa Clara, CA Seattle, WA S.E. Pennsylvania Washington, D.C.
<b>Design/ Engineering of Capital Projects</b>	Atlanta, GA San Francisco, CA Washington, D.C.	Chicago, IL Houston, TX Phoenix, AZ Santa Clara, CA	Seattle, WA S.E. Pennsylvania Boston, MA Minneapolis-St. Paul, MN
<b>Construction Management</b>	Boston, MA Minneapolis-St. Paul, MN San Francisco, CA Washington, D.C.		Atlanta, GA S.E. Pennsylvania Chicago, IL Phoenix, AZ Seattle, WA Houston, TX
<b>Construction Inspections</b>	Boston, MA San Francisco, CA Washington, D.C.	Atlanta, GA Chicago, IL Phoenix, AZ	Seattle, WA Houston, TX Minneapolis-St. Paul, MN S.E. Pennsylvania
<b>Service Monitoring/Auditing</b>	Atlanta, GA Boston, MA Chicago, IL Houston, TX Minneapolis-St. Paul, MN	Phoenix, AZ San Francisco, CA Seattle, WA S.E. Pennsylvania Washington, D.C.	
<b>Service Delivery</b>	Atlanta, GA Boston, MA Chicago, IL Houston, TX Minneapolis-St. Paul, MN	Minneapolis-St. Paul, MN San Francisco, CA Santa Clara, CA Seattle, WA Washington, D.C.	
<b>Marketing/Media Relations</b>	Boston, MA Chicago, IL San Francisco, CA Santa Clara, CA	Seattle, WA	Phoenix, AZ S.E. Pennsylvania Atlanta, GA Minneapolis-St. Paul, MN

## **BUSINESS PLAN UPDATE:**

- **MIAMI-DADE TRANSIT DEPARTMENT (MDT)**
- **RAPID TRANSIT DEVELOPMENT**
- **CITIZEN'S INDEPENDENT TRANSPORTATION TRUST  
SECRETARIAT**

**The draft business plans previously prepared by MDT and the Office of Public Transportation Management will be reorganized into plans reflecting the Departments as finally approved by the Board of County Commissioners.**

**At the same time, we will address the business plan concerns noted in the August 15, 2003 Transit Summer Study Report prepared by the Office of Performance Improvement.**